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November 6, 2003

VIA HAND DELIVERY

Hon. Deborah Taylor Tate  
Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: Petition for Arbitration

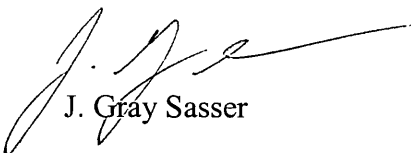
03-00586

Dear Chairman Tate:

Enclosed please find an original and fourteen copies of that certain Petition for Arbitration of BellSouth Mobility LLC; BellSouth Personal Communications, LLC; Chattanooga MSA Limited Partnership; collectively d/b/a Cingular Wireless (the "Petition"). In addition, please find enclosed a check for \$25.00 representing the filing fee required to file this Petition.

Copies of the Petition are being provided to those individuals listed on the Certificate of Service attached to the Petition.

Regards,

  
J. Gray Sasser

JGS/ktr  
enc.

cc: Mark J. Ashby, Cingular (w/o enc.)  
John Paul Walters, Jr., The Walters Law Firm  
(w/o enc.)

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

Petition of: )  
 )  
BELLSOUTH MOBILITY LLC; BELLSOUTH )  
PERSONAL COMMUNICATIONS, LLC; )  
CHATTANOOGA MSA LIMITED )  
PARTNERSHIP; COLLECTIVELY D/B/A )  
CINGULAR WIRELESS, FOR )  
ARBITRATION UNDER THE )  
TELECOMMUNICATIONS ACT )

Docket No. \_\_\_\_\_

**PETITION FOR ARBITRATION OF BELLSOUTH MOBILITY LLC;  
BELLSOUTH PERSONAL COMMUNICATIONS, LLC; CHATTANOOGA  
MSA LIMITED PARTNERSHIP; COLLECTIVELY d/b/a CINGULAR WIRELESS**

Pursuant to Section 252 of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (codified at 47 U.S.C. § 151 *et seq.*) ("Act"), BellSouth Mobility LLC; BellSouth Personal Communications, LLC; Chattanooga MSA Limited Partnership; collectively d/b/a Cingular Wireless ("Cingular") petition the Tennessee Regulatory Authority ("TRA") to arbitrate certain unresolved issues associated with negotiations for an Interconnection and Reciprocal Compensation Agreement ("Agreement") between Cingular and the members of the Tennessee Rural Independent Coalition ("ICOs") listed on Exhibit 1.

The Federal and Tennessee statutes are unclear whether an individual arbitration petition should be filed for each company with which an interconnection agreement is sought when negotiations have been conducted jointly. Because the filing of approximately twenty-one (21) substantially identical individual arbitration petitions would unnecessarily burden the TRA, however, Cingular respectfully requests that the TRA treat this filing as an individual petition

with respect to each ICO identified on Exhibit 1, and that Cingular's petition with regard to each ICO be considered in one docket. Alternatively, if the TRA believes the proposed course of action is improper, the TRA could sever each company's proceeding into a separate Docket. In any case, the petition and the proposed form of agreement for each local exchange company would be the same with the exception of the rate for that company.

### **PARTIES**

Cingular is a Commercial Mobile Radio Service ("CMRS") provider with its principal offices located at 5565 Glenridge Connector, Suite 1520, Atlanta, Georgia 30342. Cingular is licensed to provide CMRS within the State of Tennessee. All correspondence, notices, inquiries and orders regarding this Petition should be directed to Cingular's counsel:

Mark J. Ashby  
Senior Attorney  
Cingular Wireless  
5565 Glenridge Connector  
Suite 1700  
Atlanta, GA 30342

and

John Paul Walters, Jr.  
15 E. First Street  
Edmond, OK 73034  
Voice: 405-359-1718  
Fax: 405-348-1151  
Email: pwalters@sbcglobal.net

The ICOs are rural local exchange carriers and cooperatives providing service throughout Tennessee. All correspondence, notices, inquiries and orders regarding this Petition should be directed to ICOs' counsel:

Steve Kraskin  
Kraskin, Lesse & Cosson, LLC

2120 L Street, N.W., Suite 520  
Washington, D.C. 20037

### **BACKGROUND**

On April 3, 2003, the ICOs filed a petition seeking an emergency standstill order to prevent BellSouth Telecommunications, Inc. (“BellSouth”) from implementing certain billing provisions (“Meet-Point Billing” or “MPB”) pursuant to its interconnection agreements with specific CMRS providers.<sup>1</sup> The ICOs alleged that such provisions would violate terms and conditions of the Primary Carrier Plan (“PCP”) between the ICOs and BellSouth. Among other things, the ICOs alleged that the PCP arrangement had “rendered it unnecessary for the CMRS carriers to request interconnection terms and conditions directly with ICOs with respect to the termination of the CMRS traffic.”<sup>2</sup> BellSouth filed a response on April 15, 2003 opposing the ICO request, arguing that its implementation of MPB in the context of interconnection agreements with CMRS providers did not violate the PCP, and that the ICOs’ rights and obligations for direct and indirect exchange of traffic with CMRS providers were subject to the reciprocal compensation provisions of the Act.<sup>3</sup>

On April 28, 2003, a joint group of CMRS providers filed Comments explaining that the jurisdictional nature of the traffic was subject to Federal Communications Commissions (“FCC”) rules governing the interconnection and reciprocal compensation of CMRS providers and ICO

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<sup>1</sup> See *In Re: Generic Docket Addressing Rural Universal Service*, Petition for Emergency Relief and Request for Standstill Order by the Tennessee Rural Independent Coalition, Tennessee Regulatory Authority, Docket No. 00-00523 (April 3, 2003) (“ICO Standstill Request”).

<sup>2</sup> *Id.* at ¶ 5.

<sup>3</sup> See *Response To Petition For Emergency Relief Filed By The Tennessee Rural Independent Coalition And Counterclaim Of BellSouth, ICO Standstill Request* at 2.

traffic.<sup>4</sup> On May 5, 2003, the Prehearing Officer issued an Order requiring *inter alia* that the CMRS providers be notified “of the opportunity to participate in collective negotiations with the [ICOs’] Coalition”. Acceptance of such notice from a CMRS provider or the CMRS providers collectively would establish the commence date of the negotiation period contained in Section 252(b).<sup>5</sup> Pursuant to this order, the CMRS providers issued to the ICOs, on May 29, 2003, a *bona fide* request to begin interconnection and reciprocal compensation negotiations under Section 252(b) of the Act.<sup>6</sup>

Since that time, the CMRS providers and ICOs (individually “Party”, collectively “Parties”) have met on several occasions to negotiate terms of a reciprocal compensation and interconnection arrangement. The first meeting was held in Nashville, Tennessee, on June 2-3, 2003 at BellSouth’s facilities. A second meeting was held in Nashville on July 16, 2003. BellSouth was asked to participate at both of these negotiations sessions at the insistence of the ICOs, although the CMRS carriers have maintained that BellSouth’s participation is unnecessary for the negotiation of an interconnection agreement between the CMRS providers and ICOs. In addition to these two face-to-face negotiation sessions, the CMRS providers and ICOs have held negotiations via teleconference on August 4, September 18, 30 and October 10, 2003.

As proposed at the June 2, 2003 meeting in Nashville, the CMRS Providers sent to the ICOs, on July 10, 2003, a negotiation document based upon the interconnection and reciprocal

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<sup>4</sup> See *Joint Comments of CMRS Carriers, ICO Standstill Request* at 4.

<sup>5</sup> See *In Re: Generic Docket Addressing Rural Universal Service, Order Granting Stay, Continuance, Abeyance And Granting Interventions*, Docket No. 00-00523 p. 6 at fn. 15 (May 5, 2003) (“May 5, 2003 Order”). On May 12, 2003, in accordance with the TRA’s May 5, 2003 Order, the ICOs sent correspondence notifying each affected CMRS provider of their opportunity to participate in collective negotiations with the ICOs.

<sup>6</sup> See 47 U.S.C. 252(b). Pursuant to this provision of the Act, the timeframe for timely filing of a petition for arbitration under Section 252(b) of the Act began on October 12, and closes on November 6, 2003.

compensation arrangement in effect between Verizon Wireless and TDS Telecom.<sup>7</sup> The ICOs provided a redlined counter-proposal on July 10, 2003, which contained terms and conditions for the exchange of indirect traffic between the ICOs, CMRS providers and BellSouth. The CMRS providers subsequently on July 11, 2003 responded to the ICOs' July 10, 2003 draft with a letter objecting to the inclusion of BellSouth as a third party, and confirming the CMRS providers' commitment to bilateral negotiations. The parties have not agreed to a "baseline" negotiation document but instead have addressed substantive disputes through an issues list. Although several attempts have been made by both parties to consolidate competing language into one document, neither side has agreed to a common document. Therefore, Cingular has attached hereto as Exhibit 2 the agreement that Cingular believes should be adopted by the TRA. The attached agreement does not highlight disputed language, because the ICOs have refused to accept the document as a starting point for negotiations.

In addition to a long term solution for the disputed traffic, the CMRS providers have attempted to resolve issues of interim compensation for traffic terminated by the Parties prior to the effective date of a new interconnection agreement. On July 30, 2003, the CMRS providers offered an interim reciprocal compensation rate, subject to a true-up, for all traffic exchanged between the parties prior to resolution of the negotiation/ arbitration.<sup>8</sup> On August 4, 2003, the ICOs rejected this offer, arguing that the FCC's rules governing interim interconnection rates did not apply, because the Parties already had an existing arrangement (the PCP). The CMRS

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<sup>7</sup> The CMRS providers offered this agreement as a starting negotiation document. The document was based upon the current agreement governing the reciprocal compensation and exchange of indirect traffic between TDS Telecom and Verizon Wireless, as approved by the Commission in Docket No. 02-00973 (November 13, 2002). Both Verizon Wireless and TDS Telecom are parties to the collective negotiations.

<sup>8</sup> See 47 C.F.R. § 51.715(a), (d).

providers disputed this interpretation of FCC Rule 51.715. The CMRS providers do not have an interconnection arrangement with the ICOs at this time. A second offer for interim compensation was made by the CMRS providers to the ICOs at the October 10, 2003 negotiation session, where the CMRS carriers offered compensation without reliance on the FCC's rules. That offer remains open and available to the ICOs. However, to date, it has not been accepted by the ICOs.

A fundamental issue has prevented meaningful negotiations thus far. The ICOs have repeatedly asserted that the Act's reciprocal compensation principles do not apply to traffic indirectly exchanged with CMRS providers through the tandem and transport facilities of BellSouth. The ICOs claim that such indirect traffic should be subject to access-like treatment and charges, and further, that BellSouth must be a party to any agreement involving the ICOs and the CMRS providers. The CMRS providers disagree with the ICOs that BellSouth has any role to play in their reciprocal compensation arrangements with the ICOs. Section 251(b)(5) of the Act requires that the ICOs enter bilateral reciprocal compensation arrangements with the CMRS carrier for the disputed indirect traffic. This fundamental disagreement, along with other issues, will be addressed below.

### **JURISDICTION**

Cingular requested negotiations with the ICOs on May 29, 2003. Section 252 of the Act provides that a petition for arbitration must be filed from the 135<sup>th</sup> to the 160<sup>th</sup> day after such a request, in this case from October 12, 2003 to November 6, 2003.. Accordingly, this Petition is timely filed.

### **AGREEMENT**

Exhibit 2 is a copy of the Agreement setting forth the terms and conditions that Cingular believes should govern the relationship of the parties. The Agreement is based upon the document that Cingular offered to the ICOs, with enhancements and modifications to reflect Cingular's best and final language proposals.

## **ISSUES TO BE ARBITRATED**

### **OVERVIEW**

The parties appear to agree that:

- a) CMRS providers are "telecommunications carriers" within the meaning of Section 251(a) of the Act;
- b) The local exchange carriers that comprise the ICO Coalition are "telecommunications carriers" within the meaning of Section 251(a) of the Act; and,
- c) Each ICO is an incumbent local exchange carrier within the meaning of Section 251(h) of the Act.

There is no dispute that the parties are subject to the Act. However, there is considerable disagreement over what the parties are respectively entitled to receive from, or are required to provide to, one another pursuant to the Act.

The Act requires all telecommunications carriers to interconnect, directly or indirectly, with the facilities and equipment of other telecommunications carriers. In addition, §251(b)(5) of the Act imposes on all local exchange companies the duty to establish reciprocal compensation arrangements for the transport and termination of telecommunications. 47 C.F.R. § 20.11(b)(1) requires that "a local exchange carrier shall pay reasonable compensation to a commercial mobile radio service provider in connection with terminating traffic that originates on facilities of the local exchange carrier." Despite these rules, the ICOs refuse to recognize the



reciprocity of compensation obligations. Specifically, the ICOs deny any responsibility, in the case of indirect interconnection, to pay for traffic originating on their network and terminating on Cingular's network. The ICOs maintain that traffic exchanged indirectly is not subject to reciprocal compensation and is instead subject to access-like charges.

47 C.F.R. § 51.701(e) defines the reciprocal compensation required by the Act to mean an arrangement “in which each of the two carriers receives compensation from the other carrier for the transport and termination on each carrier’s network facilities of telecommunications traffic that originates on the network facilities of the other carrier.” Moreover, the FCC prohibits the imposition of access charges on local telecommunications traffic between a CMRS carrier and a LEC:

“We reiterate that traffic between an incumbent LEC and a CMRS network that originates and terminates within the same MTA (defined based on the parties’ locations at the beginning of the call) is subject to transport and termination rates under section 251(b)(5), rather than interstate or intrastate access charges.” *Local Competition Order*, CC Docket 96-98, First Report and Order, ¶ 1043, 11 FCC Rcd 15499 (1996).

The ICOs' refusal to recognize that compensation obligations are reciprocal, plus the ICOs' desire to apply access-like charges to local traffic, are the source of most of the disputes between the Parties. The ICOs' desire to apply the FCC's access charge regime to local traffic causes them to maintain that financial and legal responsibility for traffic terminated indirectly on their networks should be placed upon the transiting provider, not the CMRS provider. The parties have also been unable to agree on the level of rates to be charged for transport and termination, and who bears responsibility for the transport costs beyond the ICO service territory. The ICOs also claim that they are not required to treat CMRS provider numbers rated in the ICOs’ rate center (or EAS area) in the same manner that the ICOs' numbers are treated. In

other words, the ICOs do not acknowledge dialing parity requirements when the Parties exchange traffic on an indirect basis. Finally, there are several miscellaneous unresolved issues.

Below are the issues that Cingular requests the TRA to arbitrate. When appropriate, the discussion of each issue includes references to specific contract sections embodying the dispute.

### **INTERCONNECTION OBLIGATION**

**ISSUE 1.** Does an ICO have a duty to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers?

- (i) Cingular's Position: Yes. The FCC's rules expressly require the ICOs to interconnect directly or indirectly with Cingular.
- (ii) ICOs' Position: During negotiations, the ICOs appeared to agree that they have a duty to interconnect both directly and indirectly. It is not clear, however, whether the ICOs would take this position in the context of an arbitration proceeding. Further, the ICOs' position with respect to compensation arrangements, which is discussed more fully in issues two (2) and eight (8) below, would have the effect of requiring a CMRS provider to have a direct connection before receiving reciprocal compensation from the originating carrier.
- (iii) Discussion:

The Act defines the duty of all telecommunications carriers "to interconnect directly *or indirectly* with the facilities and equipment of other telecommunications carriers."<sup>9</sup> After passage of the Act, the FCC reiterated this view:

[W]e conclude that telecommunications carriers should be permitted to provide interconnection pursuant to section 251(a) either directly or indirectly, based upon their most efficient technical and economic choices.<sup>10</sup>

Indirect interconnection, as the term is used in the industry, refers to traffic that one carrier sends to another through the tandem of a third party. Such interconnection is routinely

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<sup>9</sup> 47 U.S.C. § 251(a)(1). [Emphasis added.]

employed by CMRS providers exchanging traffic with small independent telephone companies. The dearth of traffic does not justify the expense of direct interconnection trunks. This arrangement is standard in the industry, and is recognized in the Act and FCC Regulations.

### INDIRECT TRAFFIC

**ISSUE 2.** Do the reciprocal compensation requirements of 47 USC § 251(b)(5) and the related negotiation and arbitration process in § 252(b) apply to traffic exchanged indirectly by a CMRS provider and an ICO?

- (i) Cingular's Position: Yes. The FCC rules expressly require the application of reciprocal compensation principles to traffic whether delivered by direct or indirect interconnection.
- (ii) ICOs' Position: No. Reciprocal compensation principles apply only when traffic is delivered via a direct connection.
- (iii) Discussion:

Because the CMRS providers have virtually no direct interconnection trunks with the ICOs, almost all traffic exchanged transits a third-party's tandem. This is true for both ICO-originated and CMRS-originated traffic. The ICOs argue that something like the FCC's access charge regime, rather than reciprocal compensation principles, applies to such traffic. Thus, for landline-originated traffic, the ICOs claim that they should be allowed to charge the intermediate carrier and should pay nothing to the terminating CMRS provider. For CMRS-originated calls, the ICOs claim that they should once again be allowed to charge the intermediate carrier. The ICOs' position, however, is not supported by the Act or FCC regulations.

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<sup>10</sup> *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*; FCC No. 96-325, 11 FCC Rcd 15499, ¶ 997 (rel. Aug. 1, 1996).

The obligation for indirect interconnection is set forth in Section 251(a)(1) of the Act and is applicable to all telecommunications carriers, including the ICOs. The FCC has issued a rule implementing this statutory requirement.<sup>11</sup> Moreover, 47 CFR § 51.703 explicitly states:

(a) Each LEC shall establish reciprocal compensation arrangements for transport and termination of telecommunications traffic with any requesting telecommunications carrier.

(b) A LEC may not assess charges on any other telecommunications carrier for telecommunications traffic that originates on the LEC's network.

Reciprocal compensation arrangements, not access-like charges, apply to all "telecommunications traffic." No distinction is made between direct and indirect interconnection. The regulation applies to all "telecommunications traffic," regardless of the nature of the interconnection. In addition, when a carrier originates "telecommunications traffic," it "may not assess charges on any other telecommunications carrier."

The FCC defines "telecommunications traffic," when it involves a CMRS provider, to be:

... traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in § 24.202(a) of this Chapter.

No distinction is made between direct and indirect traffic. As a result, Oklahoma and Iowa have recognized that reciprocal compensation principles apply to indirect traffic.<sup>12</sup>

Moreover, the ICOs' status as rural carriers does not exempt them from their section 251 (b) obligations. While rural carriers are exempt from direct interconnection provisions of Section

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<sup>11</sup> See 47 C.F.R. §51.100(a)(1), which imposes a duty upon the ICOs "to interconnect directly or indirectly".

<sup>12</sup> See Corporation Commission of the State of Oklahoma, *In the Matter of the Application of Southwestern Bell Wireless L.L.C. et al. for Arbitration Under the Telecommunications Act of 1996*, Cause Nos. PUD 200200149, PUD 200200150, PUD 200200151, and PUD 200200153, Final Order, Order No. 468958 (Oct. 22, 2002); Iowa Utilities Board, *In Re Exchange of Transit Traffic*, Docket Nos. SPU-00-7, TF-00-275, (DRU-00-2), Order Denying Application for Rehearing (May 3, 2002).

251(c)(2) until a state commission terminates the statutory exemption set forth in Sections 251(f)(1), the obligations set forth in Sections 251(a) and 251(b) are not subject to this exemption. Therefore, any ICO objection to the jurisdiction of the TRA to resolve this dispute under the process set forth in Section 252(b) should be rejected. Unless, the TRA determines under Section 251(f)(2) that an exemption from the requirements of Sections 251(a) and 251(b) is warranted, the ICOs are required to comply with the negotiation and arbitration process required by the Act for resolving disputes arising from reciprocal compensation negotiations.<sup>13</sup>

**ISSUE 3.** Which company should compensate the terminating carrier for traffic exchanged indirectly between a CMRS provider and a ICO?

- (i) Cingular's Position: The originating carrier, not the transiting carrier, should compensate the terminating carrier.
- (ii) ICOs' Position: The transiting carrier should compensate the terminating carrier.
- (iii) Discussion.

As is discussed above in Issue 2, under the FCC's reciprocal compensation rules, the originating party is required to compensate the terminating carrier for all "telecommunications traffic." Those rules require that the originating party's network pay for another carrier's costs of terminating a call. The transiting carrier bears no responsibility to compensate the terminating carrier. In fact, the FCC has specifically ruled that the transiting carrier neither originates nor

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<sup>13</sup> See 47 U.S.C. § 251(f)(2). This provision enables a local exchange carrier with fewer than 2 % of the nation's subscriber lines to petition a state TRA for a suspension of the requirements of Section 251(b) or (c). A suspension of Section 251(b)(5) is not automatically afforded a small local exchange carrier.

terminates telecommunications traffic.<sup>14</sup>

Thus when a CMRS provider sends a call through a third-party tandem to an ICO, the CMRS provider must compensate the ICO for terminating the call. The principle is the same, but the charge is reversed, when an ICO sends a call through a third-party tandem to a CMRS provider. Neither the CMRS provider nor the ICO may charge the intermediary carrier.

The intermediary carrier would bear the cost under the FCC's access charge regime, but access charges do not apply to "telecommunications traffic"--i.e., intraMTA traffic--exchanged between the ICOs and the CMRS providers.<sup>15</sup>

**ISSUE 4.** When a third party provider transits traffic, must the Interconnection Agreement between the originating and terminating carriers include the transiting provider? (Section I, Scope of Agreement)

- (i) Cingular's Position: No. Interconnection agreements between the CMRS providers and the ICOs should not include third-party transiting carriers.
- (ii) ICOs' Position: Yes. Any agreement between ICOs and CMRS providers concerning traffic delivered through a third party tandem provider should include the third-party.
- (iii) Discussion:

The Act envisions that all carriers will interconnect "directly or indirectly"<sup>16</sup> such that an end user of any carrier may call an end user of any other carrier. Because indirect

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<sup>14</sup> *Texcom Inc d/b/a Answer Indiana v Bell Atlantic Corp., d/b/a Verizon Communications*, FCC 01-347 (November 26, 2001) at ¶ 10.

<sup>15</sup> "We reiterate that traffic between an incumbent LEC and a CMRS network that originates and terminates within the same MTA (defined based on the parties' locations at the beginning of the call) is subject to transport and termination rates under section 251(b)(5), rather than interstate or intrastate access charges." *Local Competition Order*, CC Docket 96-98, First Report and Order, 1043, 11 FCC Rcd 15499 (1996).

<sup>16</sup> 47 U.S.C. § 251(a)(1).

interconnection is allowed, such calls will often transit the network of a third party. The third-party may be any carrier with connections to the networks of the originating and terminating carriers. The Act requires ILECs ("Incumbent Local Exchange Carriers") to negotiate agreements with each "requesting telecommunications carrier."<sup>17</sup> The Act thus presumes that each ILEC will execute a two-party agreement with every other carrier to which traffic may be sent or received. Accordingly, when a CMRS provider sends a call to BellSouth, and BellSouth sends the call to an ICO for termination, compensation arrangements between the CMRS provider and BellSouth will be governed by one agreement, and the arrangements between the CMRS provider and the ICO will be governed by another. Any other contractual scheme would be unmanageable.

Basically, the ICOs seek to maintain a system in which BellSouth or some other LEC acts as a clearinghouse, paying the ICOs' charges, then seeking reimbursement from the various CMRS providers. Clearly, under such an arrangement, life would be simpler (and cheaper!) for the ICOs. However, the competitive telecommunications market created by the Act obliterates the old order. ILECs such as BellSouth and Sprint United no longer act as clearinghouses for the ICOs. Instead, all carriers have the same obligation to enter into interconnection agreements with all other carriers.

In addition, the FCC has specifically ruled that in transiting situations, the intermediary carrier neither originates nor terminates traffic. "In the transiting traffic context, however, the [intermediary] LEC does not 'originate' any traffic. Rather, the traffic originates with a third

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<sup>17</sup> 47 U.S.C. § 252(a)(1).

carrier, and terminates with the CMRS carrier."<sup>18</sup> Therefore, there is no reason to require a third-party transit provider, such as BellSouth, to be a party to a reciprocal compensation agreement between the originating and terminating carrier. Indeed, such a requirement would run afoul of the duality of the reciprocal compensation obligation, which contemplates only an originating and terminating carrier.

**ISSUE 5.** Is each party to an indirect interconnection arrangement obligated to pay for the transit costs associated with the delivery of intraMTA traffic originated on its network to the terminating party's network? (Section IV.B.1&2)

- (ii) Cingular's Position: Yes. The originating party is responsible for paying transit costs associated with the delivery of its traffic to a terminating carrier.
- (ii) ICOs' Position: No. An ICO is not responsible for paying any costs outside of its exchange boundary.
- (ii) Discussion:

The FCC has established a "calling party network pays" ("CPNP") regime covering all parties that carry telecommunications traffic, including the ICOs and the CMRS providers. Traffic between ICOs and CMRS providers is considered telecommunications traffic when a call originates and terminates within the same MTA. 47 C.F.R. § 51.701(b)(2). An ICO or a CMRS provider is responsible for delivering all its originated intraMTA traffic to a terminating party and compensating that party for the termination. When the CMRS providers route traffic through a third party tandem, the CMRS providers must also pay the transiting charges of the intermediary carrier. Transit charges typically include a tandem switching charge and common

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<sup>18</sup> *Texcom Inc d/b/a Answer Indiana v Bell Atlantic Corp., d/b/a/ Verizon Communications*, FCC 01-347 (November 26, 2001) at ¶ 10.



transport. The principle is the same when the ICOs route traffic to the CMRS providers through a third-party tandem. The ICOs likewise must pay the intermediary carrier's transit charge.

**ISSUE 6.** Can CMRS traffic be combined with other traffic types over the same trunk group?

- (i) Cingular's Position: Yes. There is no technological reason for requiring CMRS provider traffic to be delivered over segregated trunk groups. It is also economically inefficient to require separate and distinct trunk groups for CMRS traffic.
- (ii) ICOs' Position: CMRS traffic should be segregated on separate trunks.
- (iii) Discussion:

The ICOs argue that indirect traffic originated by CMRS providers should not be mingled with intraLATA toll traffic bound for the ICOs pursuant to the terms of the PCP. The ICOs allege that they cannot independently measure the CMRS originated traffic terminated over these trunks. BellSouth, however, provides to the ICOs industry standard 11-01-01 records that the ICOs use to bill switched access to interexchange carriers. The ICOs can use these same records to bill reciprocal compensation to the CMRS providers. Moreover, the use of multi-jurisdictional trunk groups is efficient and will result in lower interconnection costs. The TRA should rule that the records provided by BellSouth can be used by the ICOs to bill the CMRS providers, and that there is no justification for the construction of duplicative and inefficient separate CMRS trunks.<sup>19</sup>

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<sup>19</sup> If the TRA adopts bill and keep as the inter-carrier compensation method between ICOs and CMRS providers, as will be discussed in detail below, the issue of segregated trunk groups will not even arise, because the ICOs will not have to produce reciprocal compensation bills at all.

## **DIRECT INTERCONNECTION**

### **ISSUE 7.**

A. Where should the point of interconnection be if a direct connection is established between a CMRS provider's switch and an ICO's switch? (Section IV.A1-A2, Definitions - Direct Interconnection, Interconnection)

B. What percentage of the cost of the direct connection facilities should be borne by the ICO? (Section IV.A.-A2; Definitions – Direct Connection, Interconnection)

- (i) Cingular's Position: The point of interconnection for a dedicated two-way facility may be established at any technically feasible point on the ICO's network or at any other mutually agreeable point. Pursuant to applicable federal rules, the cost of the dedicated facility between the two networks should be apportioned between the parties based upon their relative use of such facility.
- (ii) ICOs' Position: The point of interconnection must always be at the ICO switch. It is unclear to what extent, if any, the ICOs would ever agree to share in any facility costs.
- (iii) Discussion:

"Direct" interconnection involves a dedicated facility between two carriers' networks without utilizing the network of a third party. Direct interconnection between an ICO and a CMRS provider would involve a dedicated facility from an ICO end office or tandem switch to the CMRS provider's Mobile Switching Center ("MSC"). Such dedicated facilities can be ordered either as one-way trunks (a single trunk group is required for land-to-mobile intraMTA traffic and a separate and distinct trunk group is required for mobile-to-land intraMTA traffic) or two-way trunks (one single combined trunk group carries both mobile-to-land and land-to-mobile intraMTA traffic).

The facilities may be provisioned by a third party or by one of the interconnecting carriers. The charges for such dedicated transport facility links are to be flat-rated<sup>20</sup> and are based upon the Parties' proportional use of the dedicated facility.<sup>21</sup>

If a Party utilizes a one-way facility to deliver its originating traffic to a terminating party, then the proportional use rules require that party to pay one-hundred percent (100%) of that facility cost. If the Parties utilize a two-way direct interconnection facility, then the proportional use rule requires the parties to share the cost based on their percentage of originated intraMTA traffic. This rule is applicable regardless of the provider of the facility.

The Point of Interconnection ("POI") is the chosen demarcation point between the two carriers' networks and is significant for determining the minute of use ("MOU") costs associated with "transport" and "termination" on a terminating carrier's network. Such transport and termination charges are an element of the reciprocal compensation that the terminating carrier charges the originating carrier. Transport and termination charges are figured from the POI to the terminating end office. Under the Act, the POI can be located at any technically feasible point on the ILEC's network.<sup>22</sup> However, the parties may also choose to locate the POI at a "meet point" between the two networks. Location of the POI off the ILEC network is a matter of negotiation.

## **RATES FOR INTRA-MTA TRAFFIC**

**ISSUE 8.** What is the appropriate pricing methodology for establishing a reciprocal compensation rate for the exchange of indirect traffic between the CMRS providers and the ICOs? (Appendix A)

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<sup>20</sup> 47 C.F.R. 51.509(c).

<sup>21</sup> 47 C.F.R. 51.709(b).

<sup>22</sup> 47 U.S.C. § 251(c)(2)(B).

- (i) Cingular's Position: The TRA should adopt bill-and-keep as the appropriate reciprocal compensation method until the ICOs (1) produce appropriate cost studies, and (2) rebut the presumption of roughly balanced traffic.
- (ii) ICOs' Position: Reciprocal compensation principles do not apply to traffic exchanged through indirect interconnection.
- (iii) Discussion:

Under FCC regulations, 47 CFR 51.705, only three options are available to the TRA for establishing reciprocal compensation rates between the CMRS providers and the ICOs:

- (a) An incumbent LEC's rates for transport and termination of local telecommunications traffic shall be established, at the election of the state commission, on the basis of:
  - (1) the forward-looking economic costs of such offerings, using a cost study pursuant to §§51.505 and 51.511 of this part;
  - (2) default proxies, as provided in §51.707 of this part; or
  - (3) a bill-and-keep arrangement, as provided in §51.713 of this part.

The FCC's default proxy rates have been invalidated and never reinstated. Thus, the only option available to the TRA, in the absence of appropriate cost studies, is bill-and-keep.

Under 47 CFR § 51.713(b), a state commission may impose bill-and-keep as the required method of reciprocal compensation if the amount of telecommunications traffic between the parties is "roughly balanced." Moreover, under subsection (c) of § 51.713, a state commission may presume that traffic is roughly balanced "unless a party rebuts such a presumption." The FCC does not require that traffic be exactly balanced, and the state commission has discretion to establish thresholds for determining that the traffic is roughly balanced.<sup>23</sup>

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<sup>23</sup> See *Local Competition First Report and Order* at ¶¶ 1113-14. Traffic balance is actually irrelevant for determining the efficiency of bill & keep as an inter-carrier compensation system, if the assumption that underlies

The ICOs have failed to present any data at all rebutting the presumption of "roughly balanced" traffic. Thus, the TRA has the authority to impose bill-and-keep in this proceeding and should join Oklahoma<sup>24</sup> in its approval of this highly efficient compensation system.<sup>25</sup>

To the extent that the rural carriers present cost data and the TRA decides to move forward with a cost study, each ICO must present a separate formal cost study, and each study must be made a part of the record. 47 C.F.R. § 51.505(e)(2) provides:

Any state proceeding conducted pursuant to this section shall provide notice and an opportunity for comment to affected parties and shall result in the creation of a written factual record that is sufficient for purposes of review. The record of any state proceeding in which a state commission considers a cost study for purposes of establishing rates under this section shall include any such cost study.

The burden is upon each ICO to produce an appropriate cost study, not upon the CMRS providers. 47 C.F.R. § 51.505 provides:

- (e) Cost study requirements. An incumbent LEC must prove to the state commission that the rates for each element it offers do not exceed the forward-looking economic cost per unit of providing the element, using a cost study that complies with the methodology set forth in this section and §51.511 of this part.

In response to requests from the CMRS providers, the ICOs have stated that they cannot produce any cost studies to support their proposed transport and termination rates. Nor have the

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the CPNP system (originating party is the sole causer), is replaced with a more realistic assumption that both the caller and called party benefit from a call. See, e.g., *Intercarrier Compensation NPRM* at ¶¶ 20-21.

<sup>24</sup> See Corporation Commission of the State of Oklahoma, *In the Matter of the Application of Southwestern Bell Wireless L.L.C. et al for Arbitration Under the Telecommunications Act of 1996*, Cause Nos. PUD 200200149, PUD 200200150, PUD 200200151, and PUD 200200153, Final Order, Order No. 468958 (Oct. 22, 2002).

<sup>25</sup> See *Intercarrier Compensation NPRM* at ¶¶ 37-41.

ICOs produced any cost data. Thus, under FCC regulations, the establishment of a reciprocal compensation rate is not appropriate at this time. Bill-and-keep is the only appropriate method of inter-carrier compensation until the ICOs produce appropriate cost studies.

**ISSUE 9.** If the TRA does not adopt bill-and-keep as the inter-carrier compensation method between ICOs and CMRS providers, should the contract contain a proxy factor for relative traffic balance if a CMRS provider does not measure traffic?(Appendix A.I.B.2.)

- (i) Cingular's Position: Yes. There are circumstances under which the parties may need, or choose, to use factors.
- (ii) ICOs' Position: The ICOs oppose the use of a traffic factor in situations involving indirect interconnection, because the ICOs believe that reciprocal compensation principles do not apply in such cases.
- (iii) Discussion:

In situations in which a CMRS carrier does not measure traffic it receives from an ICO, or in cases in which the parties agree that the CMRS carrier will not measure such traffic, interconnection agreements usually contain a so-called "traffic ratio" stipulating the proportion of total traffic originated by the CMRS and wireline carrier.

The traditional assumption has been that more wireless to wireline calls are originated, and the ratio has usually been set, by agreement, somewhere between eighty percent/twenty percent and sixty percent/forty percent. In the recent past, however, more and more landline to mobile calls have been originated. The CMRS providers believe that the current ratio is much closer to fifty/fifty.

FCC regulations give guidance on this issue. Under subsection (c) of § 51.713, a state commission may presume that traffic is roughly balanced "unless a party rebuts such a presumption." During negotiations, the ICOs have failed to provide any evidence to support a

claim that a large majority of traffic between the parties is originated by the CMRS providers. Thus, the Commission may presume that such traffic is "roughly balanced," which supports a traffic ratio of fifty percent/fifty percent. Such a finding would be entirely appropriate in this case, because as is discussed elsewhere in this Petition, bill-and-keep is the appropriate method of inter-carrier compensation to be applied until the ICOs produce appropriate cost studies in an appropriate cost docket.

Of course, if the TRA adopts bill-and-keep as the inter-carrier compensation method between ICOs and CMRS providers, the traffic factor issue will not even arise. Even if the issue does arise, however, the above analysis indicates that because the traffic between ICOs and CMRS providers should be presumed to be roughly balanced, bill-and-keep should still apply.

**ISSUE 10.** Assuming that the TRA does not adopt bill-and-keep as the compensation mechanism for all traffic exchanged, and if a CMRS provider and an ICO are exchanging only a *de minimis* amount of traffic, should they compensate each other on a bill-and-keep basis? If so, what level of traffic should be considered *de minimis*? (Appendix A.1. Introduction and A.I.D.)

- (i) Cingular's Position: Bill-and-keep is appropriate when the amount of traffic does not justify the cost of recording traffic and producing bills. Less than 50,000 minutes per month is clearly *de minimis*.
- (ii) ICOs' Position: When reciprocal compensation principles apply to traffic exchanged between CMRS providers and ICOs, bill-and-keep principles are never appropriate.
- (iii) Discussion:

If a CMRS provider and ICO exchange a *de minimis* level of traffic, they should compensate each other on a bill-and-keep basis. The FCC has recognized that transaction costs and administrative burdens are appropriate considerations when analyzing the merits of bill-and-

keep proposals.<sup>26</sup> With many ICOs, the CMRS providers exchange a tiny amount of traffic. If the companies were to bill each other for such traffic, the costs of measuring usage, generating a bill, sending the bill, and ensuring collection would exceed the revenues collected from the billing. In such a case, bill-and-keep is the only reciprocal compensation principle that makes economic sense. For this reason, the Oklahoma Corporation Commission has ruled that CMRS providers and ICOs should exchange traffic on a bill-and-keep basis "until an individual study shows that it is more economically and justifiably appropriate to do otherwise."<sup>27</sup> The TRA should adopt the same rule.

### COMPENSATION FOR INTER-MTA TRAFFIC

**ISSUE 11.** Should the parties establish a factor to delineate what percentage of traffic is interMTA and thereby subject to access rates? If so, what should the factor be? (Appendix A.II)

- (i) Cingular's Position: Yes. Cingular has negotiated interMTA factors with other similarly situated LECs in other states, and Cingular would expect a negotiated interMTA factor to be two percent (2%) or less.
- (ii) ICOs' Position: The ICOs say they would like to negotiate an interMTA factor. However, Cingular does not know what the ICOs would accept for a negotiated interMTA factor.
- (iii) Discussion:

Under FCC regulations, reciprocal compensation principles apply to "telecommunications traffic," which in the case of CMRS providers is defined as "traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area." 47 CFR § 51.701(b)(2). By definition, traffic

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<sup>26</sup> See *Local Competition First Report & Order* at 1112 and *Intercarrier Compensation NPRM* at 51.

<sup>27</sup> See Corporation Commission of the State of Oklahoma, *In the Matter of the Application of Southwestern Bell Wireless L.L.C. et al. for Arbitration Under the Telecommunications Act of 1996*, Cause Nos. PUD 200200149, PUD 200200150, PUD 200200151, and PUD 200200153, Final Order, Order No. 468958 (Oct. 22, 2002).



that, at the beginning of the call, originates and terminates in different MTAs is not subject to reciprocal compensation principles. Instead, such traffic is subject to access charges.

With current technology, neither the CMRS providers nor the ICOs are able to determine whether a call, at its inception, is interMTA or intraMTA. In theory, call details exist at the switch level to make such identification, but no software currently can produce usable records from the call detail.

For that reason, interconnection agreements between CMRS providers and ICOs have traditionally included an "interMTA factor" delineating the percentage of total traffic exchanged between the parties that, at the beginning of the call, originates in one MTA but terminates in another.

The issue in dispute is the size of the factor. Cingular believes that the factor should be very small, because almost no traffic exchanged directly between Cingular and the ICOs originates in one MTA and terminates in another. This is because most calls are between parties that live and work in the same general area, and thus, within the same MTA. In addition, Cingular does not use an interMTA network for calls to ICOs in Tennessee. Thus, if a Cingular subscriber originates in one MTA a call bound for an ICO in another MTA, in almost every case, Cingular will hand that call off to an interexchange carrier (IXC). The ICO will charge access not to Cingular but to the IXC. Accordingly, the interMTA factor should be as close to zero as possible, though for negotiating purposes, Cingular is willing to agree to a factor of one or two percent.

## **DIALING PARITY**

**ISSUE 12.** Must an ICO provide dialing parity to a CMRS provider? (Section XV.B)

- (i) Cingular's Position: Yes. The FCC rules expressly require dialing parity.
- (ii) ICOs' Position: There is no dialing parity requirement unless (1) the CMRS provider has a direct connection to the ICO, and (2) the NPA/NXXs assigned to the CMRS provider are rated in the ICO rate center or in an end office to which the ICO has an extended area calling agreement.
- (iii) Discussion:

Under existing law, the ICOs are clearly required to provide dialing parity to CMRS providers. 47 C.F.R. § 51.207 provides that a "LEC shall permit telephone exchange service customers within a local calling area to dial the same number of digits to make a local telephone call *notwithstanding the identity of the customer's or the called party's telecommunications service provider.*"<sup>28</sup> This code section precludes dialing distinctions based on the identity of the telecommunications service provider. Further, the FCC has specifically rejected ILEC claims that they do not have to provide dialing parity to CMRS providers.<sup>29</sup>

### SCOPE OF THE INTERCONNECTION AGREEMENT

**ISSUE 13.** If the TRA does not adopt bill-and-keep as the inter-carrier compensation method between ICOs and CMRS providers, should the scope of the Agreement be limited to traffic for which accurate billing records (11-01-01 or other industry standard) are delivered? (Section I Scope, Appendix A. Section I.B.1.a-c. and Appendix A. Section I.B.2.b.(ii)).

- (i) Cingular's Position: No. All traffic exchanged between the Parties should be included in the scope of the Agreement.
- (ii) ICOs' Position: Yes. The scope of the Agreement should be limited to that traffic for which the tandem provider delivers records from which the ICOs

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<sup>28</sup> Emphasis added. See also 47 U.S.C. §251(b)(3).

<sup>29</sup> See *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers; Area Code Relief Plan for Dallas and Houston. Ordered by the Public Utility Commission of Texas, Administration of the North American Numbering Plan; Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech Illinois*, CC Docket Nos. 96-98, 95-185, 92-237, Second Report and Order and Memorandum Opinion and Order, Release Number: FCC 96-333, 1996 FCC Lexis 4311 (Released: August 8, 1996) at ¶ 68. ("We reject USTA's argument that the section 251(b)(3) dialing parity requirements do not include an obligation to provide dialing parity to CMRS providers.")

can produce accurate bills.

(iii) Discussion:

Interconnection agreements should apply to all traffic exchanged by the Parties. An agreement should not be limited to include only traffic for which certain types of billing records are provided.<sup>30</sup> Disputes over billing accuracy can be handled, if necessary, by dispute resolution and audit provisions. The Parties can also adopt billing record formats compliant with industry standards, which will further streamline the process and minimize implementation costs. The current tandem records that the ICOs receive from BellSouth are compliant with industry standards and have been relied on by the ICOs since the implementation of the PCP for the billing of access charges to interexchange carriers. Nevertheless, the ICOs claim that they are unable to utilize the BellSouth tandem records to bill the CMRS providers for reciprocal compensation. The ICOs don't claim that the BellSouth records lack sufficient detail to produce reciprocal compensation bills. Rather, the ICOs allege that, at the current time, they simply don't have a process in place to produce such bills.

In enacting its reciprocal compensation rules, the FCC anticipated that billing process changes might be required by small LECs.<sup>31</sup> That the ICOs are not currently set up to generate reciprocal compensation bills is no excuse to suspend the requirements of the Act. Moreover, if

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<sup>30</sup> It is common, for example, that CMRS interconnection agreements involve compensation for traffic (such as interMTA traffic) for which no billing records exist.

<sup>31</sup> *Local Competition Order* at ¶ 1045, “[w]e also recognize that, to implement transport and termination pursuant to section 251(b)(5) carriers, *including small incumbent LECs and small entities*, may be required to measure the exchange of traffic, but we believe that the cost of such measurement to these carriers is likely to be substantially outweighed by the benefits of these arrangements.” [Emphasis added.]

the TRA adopts bill-and-keep as the inter-carrier compensation method between ICOs and CMRS providers, this issue will not even arise.

**ISSUE 14:** Should the scope of the Agreement be limited to traffic transited by BellSouth? (Section I, Scope)

- (i) Cingular's Position: The Agreement should apply to all traffic exchanged between the carriers, and it should not be limited to cover only specific transiting carriers.
- (ii) ICOs' Position: The ICO position appears to be that the ICO must have an agreement with the intermediate carrier before the CMRS provider delivers traffic to the ICO via that intermediate carrier.
- (iii) Discussion:

The ICOs have argued that the Agreement should only cover indirect traffic transited by BellSouth, and that a CMRS provider must amend the Agreement if it wishes to use an alternative transit provider for call completion to the ICO. The ICOs argue that the CMRS providers can route traffic only to intermediary carriers that the ICOs have an agreement with. However, this restriction is clearly inconsistent with the statutory mandate that all telecommunications carriers provide indirect interconnection.<sup>32</sup>

The ICO position would allow a terminating carrier to dictate when and how CMRS traffic is routed to the terminating carrier's and should therefore be rejected. There is simply no statutory or public policy support for the position being offered by the ICOs.

**ISSUE 15:** Should the scope of the Agreement be limited to indirect traffic? (Section I, Scope, Section of Agreement, Section IV and Appendix A)

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<sup>32</sup> See 251(a)(1).

- (i) Cingular's Position: No. The scope of the Agreement should include both direct and indirect traffic.
- (ii) ICOs' Position: Yes. A separate agreement is required for direct interconnection.
- (iii) Discussion:

As stated above, CMRS providers believe that the Agreement should cover all of the traffic exchanged pursuant to Section 251 of the Act. This would include direct and indirect traffic exchanged between the Parties. The Agreement should be flexible enough to allow the Parties to connect their networks through dedicated facilities. A restriction of the Agreement to "indirect traffic" would be inefficient and might even serve as a disincentive for the Parties to move traffic to direct trunks should the volumes justify such reconfiguration.

#### **STANDARD COMMERCIAL TERMS AND CONDITIONS**

**ISSUE 16:** What standard commercial terms and conditions should be included in the Agreement? (See Exhibit 2 which contains all terms not specifically identified as a disputed issue herein.) (Sections VI, VII and XVI)

- (i) Cingular's Position: The TRA should adopt the standard terms and conditions contained in Exhibit 2, which are typical in other commercial contracts.
- (ii) ICOs' Position: The ICOs appear desirous of standard terms and conditions.
- (iii) Discussion:

The CMRS providers and ICOs have discussed various standard contractual terms such as confidentiality, dispute resolution, indemnification and limitation of liability. Although there was conceptual agreement on many of these issues, there is no agreed upon language, because the parties have been unable to agree upon a baseline document. Cingular is unaware of any substantive disputes, however, and has submitted terms consistent with standard business

practices. The only disputed terms and conditions are discussed immediately below. Therefore, Cingular requests that the TRA adopt the proposed terms and conditions contained in Exhibit 2.

**ISSUE 17.** Under what circumstances should either party be permitted to block traffic or terminate the Agreement? (Section VII.B&D)

- (i) Cingular's Position: A Party may terminate the Agreement when the other Party defaults in the payment of any undisputed amount due under the terms of the agreement, or upon providing requisite notice ninety (90) days prior to the end of the term. All other disputes should be resolved pursuant to the dispute resolution procedures proposed by the CMRS providers. Blocking of traffic should never be permitted.
- (ii) ICOs' Position: The Agreement may be terminated for any reason. The ICOs should be allowed to block traffic if a CMRS provider defaults.
- (ii) Discussion:

The ICOs argue that any party should be able to terminate the Agreement for any reason whatever, upon notice to the other party. In addition, the ICOs also claim the right to block traffic in case of a dispute over non-payment.

If the ICOs were correct, then the Agreement would be worthless, because the ICOs could terminate it at any time, or block CMRS traffic whenever a dispute arose over non-payment. This would make a mockery of the Act, which requires the ICOs to "negotiate and enter into a *binding* agreement" [emphasis supplied] with the CMRS providers.<sup>33</sup> Dispute resolution procedures, as opposed to unilateral termination or the blocking of traffic, are the standard in Tennessee interconnection agreements.<sup>34</sup> Giving ICOs the unilateral right to

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<sup>33</sup> 47 U.S.C. § 252(a)(1).

<sup>34</sup> See BellSouth/XO Agreement at General Terms and Conditions § 10 (Resolution of Disputes) and Attachment 7 § 11 (Billing Disputes); BellSouth/MCI Agreement at General Terms and Conditions § 22 (Dispute Resolution Procedures) and Attachment 8 § 4.2.12 (Billing Disputes); and BellSouth/AT&T Agreement at § 16 (Dispute Resolution Process) and Attachment 6 § 1.15 (Billing Disputes).

terminate the contract or block traffic would not be in the public interest, because this extreme remedy would penalize end users by stopping the free flow of traffic over the telecommunications network. The dispute resolution provisions proposed by the CMRS providers are similar to those already approved by the TRA and should be adopted in this case.

CMRS providers oppose termination except when a Party defaults in the payment of any undisputed amount due under the terms of the Agreement. The CMRS providers likewise oppose the blocking of traffic. The CMRS providers are prepared to offer a two-year term with consecutive renewal terms of an additional year. If the Agreement is terminated at the end of the two year original term, or at the end of a one year renewal period, and if a Party requests renegotiation, the terms and conditions of the Agreement will continue to apply until a successor interconnection agreement becomes effective. This is consistent with industry practice.

**ISSUE 18.** If the ICO changes its network, what notification should it provide and which carrier bears the cost? (Section IV.C.)

- (i) Cingular's Position: The ICO must comply with the FCC's rules regarding notification of network changes and should bear the cost to Cingular of implementing those changes. If a CMRS provider objects to a proposed change, the dispute should be handled pursuant to the dispute resolution provisions of the Agreement. The ICO may proceed with the network change, but should also maintain the existing network configuration until the dispute is resolved.
- (ii) ICOs' Position: The ICOs have the absolute right to make network changes without interference from the CMRS providers, and the CMRS providers should bear the costs..
- (iii) Discussion:

An ICO should be permitted to make planned changes to its network as follows:

- a. An ICO should comply with 47 C.F.R. §§ 51.325 through 51.335, as may be amended from time to time, regarding notification for network changes.

- b. Contemporaneously with the filing of any required public notice of network change, the ICO should also provide a copy of such notice to the CMRS providers.

It is appropriate for ICOs to make network changes. The CMRS providers do not dispute this. However, the ICOs should not be allowed to make changes that serve no technical purpose but instead simply increase an interconnecting CMRS provider's costs while decreasing the ICO's costs. For example, the parties may agree upon a POI for interconnection trunks. Once the facilities are in place, the ICO should not be allowed to unilaterally change the POI, moving it closer to the ICO's switch, without the consent of the CMRS provider. Such a change would serve no technical function but would rather serve only to increase the CMRS provider's costs and decrease the ICO's costs.

Accordingly, if a dispute does arise regarding a proposed network change, it should be resolved pursuant to the dispute resolution provisions in the Agreement. The ICO should continue any interconnection arrangement or telecommunications service provided or required under the Agreement until resolution of the dispute. Also, the ICO should bear Cingular's costs of implementing any necessary changes.

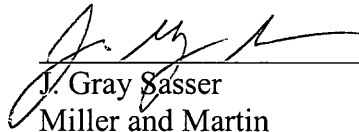
### **REQUEST FOR RELIEF**

Cingular respectfully requests that the TRA:

1. Arbitrate the unresolved issues between Cingular and the ICOs;
2. Issue its Order approving the Agreement attached hereto; and
3. Issue such other orders as are just and proper.

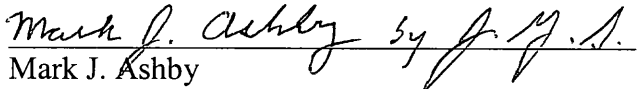


Respectfully submitted,



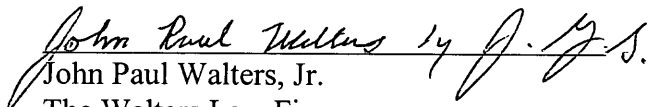
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Edmond, OK 73034  
405-359-1718  
405-348-1151 (fax)

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served on the parties of record, via the method indicated:

<input checked="" type="checkbox"/> Hand <input type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	J. Barclay Phillips, Esquire Miller & Martin LLP 1200 One Nashville Place 150 Fourth Avenue North Nashville, Tennessee 37219
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Elaine Critides Verizon Wireless 1300 I. Street, N.W. Suite 400 West Washington, D.C. 20005
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Stephen G. Kraskin, Esquire Kraskin, Lesse & Cosson, LLP 2120 L Street NW, Suite 520 Washington, DC 20037
<input checked="" type="checkbox"/> Hand <input type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	J. Gray Sasser, Esquire Miller & Martin LLP 1200 One Nashville Place 150 Fourth Avenue North Nashville, Tennessee 37219
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Paul Walters, Jr. 15 East 1 <sup>st</sup> Street Edmond, OK 73034
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Mark J. Ashby Cingular Wireless 5565 Glennridge Connector Suite 1700 Atlanta, GA 30342

<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Suzanne Toller, Esquire Davis Wright Tremaine LLP One Embarcadero Center, #600 San Francisco, CA 94111-3611
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Beth K. Fujimoto, Esquire AT&T Wireless Services, Inc. 7277 164 <sup>th</sup> Ave., NE Redmond, WA 90852
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	James B. Wright Sprint 14111 Capital Boulevard Wake Forest, NC 27587
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Monica M. Barone Sprint 6450 Sprint Parkway, MailStop 2A459 Overland Park, KS 66251
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Tom Sams Cleartalk 1600 Ute Avenue Grand Junction, CO 81501
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Dan Menser Sr. Corporate Counsel T-Mobile USA, Inc. 12920 SE 38 <sup>th</sup> Street Bellevue, WA 98006
<input type="checkbox"/> Hand <input checked="" type="checkbox"/> Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight	Marin Fettman Corporate Counsel, Regulatory Affairs T-Mobile USA, Inc. 12920 SE 38 <sup>th</sup> Street Bellevue, WA 98006

(Name)

## **EXHIBIT 1**

### **Tennessee Rural Independent Coalition (ICOs):**

Ardmore Telephone Company, Inc.  
Ben Lomand Rural Telephone Cooperative, Inc.  
Bledsoe Telephone Cooperative  
CenturyTel of Adamsville, Inc.  
CenturyTel of Claiborne, Inc.  
CenturyTel of Ooltewah-Collegedale, Inc.  
Concord Telephone Company, Inc.  
Crockett Telephone Company, Inc.  
DeKalb Telephone Cooperative, Inc.  
Highland Telephone Cooperative, Inc.  
Humphreys County Telephone Company  
Loretto Telephone Company, Inc.  
Millington Telephone Company  
North Central Telephone Cooperative, Inc.  
Peoples Telephone Company  
Tellico Telephone Company, Inc.  
Tennessee Telephone Company  
Twin Lakes Telephone Cooperative Corporation  
United Telephone Company  
West Tennessee Telephone Company, Inc.  
Yorkville Telephone Cooperative

**EXHIBIT 2**

**INTERCONNECTION  
AND RECIPROCAL COMPENSATION AGREEMENT  
TENNESSEE**

This Interconnection and Reciprocal Compensation Agreement ("Agreement") is effective on the first day of \_\_\_\_\_, 2003, by and between \_\_\_\_\_, a [Tennessee corporation] and Incumbent Local Exchange Carrier (hereinafter "ILEC"), and \_\_\_\_\_, a [Delaware corporation] (hereinafter "CMRS Carrier"). ILEC and CMRS Carrier are referred herein collectively as "Parties" and individually as "Party."

**RECITALS**

WHEREAS, ILEC is a local exchange carrier in the State of Tennessee; and,

WHEREAS, CMRS Carrier is a commercial mobile radio service carrier licensed to operate in the MTAs that encompass the State of Tennessee; and,

WHEREAS, ILEC and CMRS Carrier desire to interconnect their networks for the purpose of exchanging Traffic between the Parties' customers.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

**SECTION I  
SCOPE OF AGREEMENT**

This Agreement shall cover Interconnection and Reciprocal Compensation arrangements between the Parties' respective networks in Tennessee.

**SECTION II  
DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings specified in this Section:

"Act" means the Communications Act of 1934 (47 U.S.C. 151 *et seq.*), as amended, and as from time to time interpreted in the duly authorized orders and regulations of the FCC.

"CMRS" or "Commercial Mobile Radio Service" is as defined in the Act.

"Direct Interconnection Facilities" means dedicated transport facilities installed between a CMRS Carrier Mobile Switching Center ("MSC") and any technically feasible point (i.e., point of interconnection) that CMRS Carrier may request on the ILEC network.

“FCC” means the Federal Communications Commission.

“Interconnection” is the linking of two networks for the mutual exchange of Traffic. This term does not include the Transport and Termination of Traffic.

“IntraMTA Traffic” is wireless to wireline and wireline to wireless calls which originate and terminate within the same MTA based on the location of the cell site serving the wireless subscriber at the beginning of the call and the central office for the landline end-user.

“InterMTA Traffic” is wireless to wireline and wireline to wireless calls which do not originate and terminate within the same MTA based on the location of the cell site serving the wireless subscriber at the beginning of the call and the central office for the landline end-user.

“Major Trading Area” (MTA) means a geographic area established by Rand McNally’s 1992 Commercial Atlas and Marketing Guide, 123<sup>rd</sup> edition, at pages 38-39 and used by the FCC in defining CMRS license boundaries for CMRS carriers for purposes of Sections 251 and 252 of the Act.

“Reciprocal Compensation” means the arrangement between the Parties in which each Party receives compensation from the other for the Transport and Termination on each Party’s network facilities of IntraMTA Traffic that originates on the network facilities of the other Party.

“Termination” means the switching of IntraMTA Traffic at the terminating Party’s end-office switch, or equivalent facility, and the delivery of such IntraMTA Traffic to the called Party.

“TRA” means the Tennessee Regulatory Authority.

“Traffic” means all IntraMTA Traffic and InterMTA Traffic that originates on one Party’s network, and terminates on the other Party’s network.

“Transport” means the transmission and any necessary tandem switching by a Party of IntraMTA Traffic from the point of interconnection between the Parties, which point may be via the transit services provided by another carrier, to the terminating Party’s end-office switch or equivalent facility that directly serves the called Party.

### SECTION III INTERPRETATION AND CONSTRUCTION

The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, regulations or guidelines that subsequently may be prescribed by federal or state government authority. To the extent required by any such subsequently prescribed law, rule, regulation or guideline, the Parties agree to negotiate in good faith toward an agreement to modify, in writing, any affected term and condition of this Agreement to bring them into compliance with such law, rule, regulation or guideline. The headings of the Sections of this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of the Agreement.

The Parties enter into this Agreement without prejudice to any position they may take with respect to similar future agreements between the Parties or with respect to positions they may have taken previously, or may take in the future in any legislative, regulatory or other public forum addressing any matters including matters, related to the rates to be charged for Transport and Termination of IntraMTA Traffic or the types of arrangements prescribed by this Agreement.

In the event that any effective legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of the Parties to perform any material terms of this Agreement, either Party may, on thirty (30) days' written notice, require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Dispute may be referred to the Dispute Resolution procedure set forth herein.

#### SECTION IV TRAFFIC EXCHANGE AND COMPENSATION

The Parties may elect to exchange Traffic directly and/or indirectly as specified in Sections A. and B. below. The Parties agree that they shall compensate each other for the Traffic exchanged on a reciprocal and symmetrical basis at the rates specified in Appendix A.

##### **A. Direct Interconnection**

1. Upon CMRS Carrier's request, ILEC and CMRS Carrier shall interconnect their respective networks via the installation of Direct Interconnection Facilities. CMRS Carrier may purchase such facilities from a third party or from ILEC. Rates for facilities purchased from ILEC are specified in ILEC's applicable local or access tariff. When Direct Interconnection Facilities are two-way facilities, ILEC shall pay/credit CMRS Carrier that share of the facility costs which represents the use of such facilities to deliver ILEC's originated Traffic to CMRS Carrier's Mobile Switching Center. When Direct Interconnection Facilities are one-way facilities, each Party shall pay 100% of the cost associated with the Direct Interconnection Facility over which that Party's Traffic is delivered to the other Party.
2. The points of interconnection between ILEC and CMRS Carrier for Reciprocal Compensation purposes will be defined by the Parties. This Agreement shall not preclude ILEC and CMRS Carrier from entering into additional direct interconnection arrangements in the future if such arrangements are technically feasible and economically beneficial.

##### **B. Indirect Interconnection**

1. All Traffic that is not exchanged via Direct Interconnection Facilities shall be exchanged indirectly, and the point of interconnection for both Parties for Reciprocal Compensation purposes shall be at the point where ILEC's network interconnects with the network of an intermediate third party LEC to whom both ILEC and CMRS Carrier are each interconnected.
  2. When Traffic is indirectly exchanged via an originating Party's use of one or more third parties, the originating Party shall be responsible for the cost to deliver that Party's originated Traffic to the point where the terminating Party's network interconnects with the network of the carrier that delivers the Traffic to the terminating Party (e.g. transit charges).
- C. **Billing.** Each Party shall bill the other for calls which the billing Party terminates to its own customers and which were originated by the billed Party. Rates and billing procedures are set forth on the attached Appendix A, which is incorporated by reference. The billed Party shall pay the billing Party for all undisputed charges properly listed on the bill. Such payments are to be received within forty-five (45) days from the effective date of the statement. The billed Party shall pay a late charge on the unpaid undisputed amounts that have been billed that are greater than thirty (30) days old. The rate of the late charge shall be the lesser of 1.5% per month or the maximum amount allowed by law. The billed Party shall pay the billing Party the reasonable amount of the billing Party's expenses related to collection of overdue bills, such amounts to include reasonable attorney's fees. Neither Party shall bill the other for Traffic that is more than one hundred and eighty (180) days old.
- D. **Taxes.** The Parties agree that the Party collecting revenues shall be responsible for collecting, reporting and remitting all taxes associated therewith, provided that the tax liability shall remain with the Party upon whom it is originally imposed.

## SECTION V INDEPENDENT CONTRACTORS

The Parties to this Agreement are independent contractors. Neither Party is an agent, representative, or partner of the other Party. Neither Party shall have the right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind the other Party. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon either Party.

## SECTION VI LIABILITY

- A. Neither Party nor any of their affiliates shall be liable for any incidental, consequential or special damages arising from the other Party's use of service provided under this Agreement. Each Party shall indemnify and defend the other Party against any claims or actions arising from the indemnifying Party's use of the service provided under this



Agreement, except to the extent of damages caused by the negligence of the indemnified Party.

- B. Neither Party makes any warranties, express or implied, for any hardware, software, goods, or services provided under this Agreement. All warranties, including those of merchantability and fitness for a particular purpose, are expressly disclaimed and waived.
- C. The liability of either Party to the other Party for damages arising out of failures, mistakes, omissions, interruptions, delays, errors, or defects occurring in the course of furnishing any services, arrangements, or facilities hereunder shall be determined in accordance with the terms of applicable tariff(s) of the Party. In the event no tariff(s) apply, the providing Party's liability shall not exceed an amount equal to the pro-rata monthly charge for the period in which such failures, mistakes, omissions, interruptions, delays, errors, or defects occur. Recovery of said amount shall be the injured Party's sole and exclusive remedy against the providing Party for such failures, mistakes, omissions, interruptions, delays, errors, or defects.

## SECTION VII TERM OF AGREEMENT

- A. Either Party may submit this Agreement for approval by the TRA. This Agreement shall commence on the effective date stated on the first page, subject to its approval by the TRA and shall terminate two (2) years after the effective date.
- B. This Agreement shall renew automatically for successive one (1) year terms, commencing on the termination date of the initial term or latest renewal term. The automatic renewal shall take effect without notice to either Party, except that either Party may elect not to renew and terminate by giving the other Party written notice of its intention not to renew at least ninety (90) days prior to each anniversary date.
- C. Either Party may request for this Agreement to be renegotiated upon the expiration of the initial two (2) year term or upon any termination of this Agreement. Not later than forty-five (45) days from the receipt of initial request for renegotiations, the Parties shall commence negotiation, which shall be conducted in good faith. Except in cases in which this Agreement has been terminated for Default pursuant to Section VI.D., the provisions of this Agreement shall remain in force during the negotiation and up to the time that a successor agreement is executed by the Parties and, to the extent necessary, approved by the TRA.
- D. If either Party defaults in the payment of any undisputed amount due hereunder, and such default shall continue for sixty (60) days after written notice thereof, the other Party may terminate this Agreement and services hereunder by written notice provided the other Party has provided the defaulting Party and the appropriate federal and/or state regulatory bodies with written notice at least twenty-five (25) days prior to terminating service.
- E. Termination of this Agreement for any cause shall not release either party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect for any act or omission occurring prior to the termination

relating to an obligation which is expressly stated in this Agreement. The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination of this Agreement.

## SECTION VIII DISPUTE RESOLUTION PROCESS

- A. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, will be resolved by both Parties according to the procedures set forth below.
- B. The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedure as their sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.
- C. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration and conclusion of these discussions will be left to the discretion of the representatives. Prior to arbitration described below, the representatives will utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations will be treated as confidential information developed for purposes of settlement, exempt from discovery and production, which will not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise admissible, be admitted in evidence in the arbitration or lawsuit.
- D. If the negotiations do not resolve the dispute within sixty (60) days of the initial written request, then either Party may pursue any remedy available pursuant to law, equity or agency mechanism; provided that upon mutual agreement of the Parties such disputes may also be submitted to binding arbitration. Each Party will bear its own costs of these procedures. The Parties shall equally split the fees of any mutually agreed upon arbitration procedure and the associated arbitrator.
- E. The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the parties shall continue to perform their obligations, including making payments, in accordance with this Agreement.

SECTION IX  
THIRD PARTY BENEFICIARIES

This Agreement is not intended to benefit any person or entity not a Party to it and no third Party beneficiaries are created by this Agreement.

SECTION X  
GOVERNING LAW, FORUM, AND VENUE

To the extent not governed by the laws and regulations of the United States, this Agreement shall be governed by the laws and regulations of the State of Tennessee. Disputes arising under this Agreement, or under the use of service provided under this Agreement, shall be resolved in state or federal court in Tennessee, the TRA or the FCC.

SECTION XI  
FORCE MAJEURE

The Parties shall comply with any applicable orders, rules or regulations of the FCC, TRA and federal and state law during the term of this Agreement. Notwithstanding anything to the contrary contained herein, a Party shall not be liable nor deemed to be in default for any delay or failure of performance under this Agreement resulting directly from acts of God, civil or military authority, acts of public enemy, war, hurricanes, tornadoes, storms, fires, explosions, earthquakes, floods, government regulation, strikes, lockouts or other work interruptions by employees or agents not within the control of the non-performing Party.

SECTION XII  
ENTIRE AGREEMENT

This Agreement incorporates all terms of the Agreement between the Parties, and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals, and undertakings with respect to the subject matter thereof. This Agreement may not be modified except in writing signed by both Parties, which modification shall become effective thirty (30) days after its execution, unless otherwise mutually agreed by the Parties. The undersigned signatories represent they have the authority to execute this Agreement on behalf of their respective companies. This Agreement can be executed in separate parts which together will constitute a single, integrated Agreement.

SECTION XIII  
NOTICE

Notices shall be effective when received via fax or direct delivery or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of CMRS Carrier to:

Business Name:  
Mailing Address:  
City/State/Zip Code:  
Attention:  
Contact Phone Number:

With a copy to:

Business Name:  
Mailing Address:  
City/State/Zip Code:  
Attention:  
Contact Phone Number:

Notices shall be effective when received via fax or direct delivery or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of ILEC to:

Business Name:  
Mailing Address:  
City/State/Zip Code:  
Attention:  
Contact Phone Number:

Bills and payments shall be effective when received via fax or delivery or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of CMRS Carrier to:

Business Name:  
Mailing Address:  
City/State/Zip Code:  
Attention:  
Contact Phone Number:

Bills shall be effective when received via fax or delivery or within three (3) business days of being sent via first class mail, whichever is sooner, in the case of ILEC to:

Business Name:  
Mailing Address:  
City/State/Zip Code:  
Attention:  
Contact Phone Number:

or to such other location as the receiving Party may direct in writing. Payments are to be sent to the address on the invoice.

## SECTION XIV ASSIGNABILITY

Either Party may assign this Agreement upon the written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no consent shall be required for the assignment of this Agreement in the context of the sale of all or substantially all of the assets or stock of either of the Parties. Notwithstanding the foregoing, either Party may assign this Agreement or any rights or obligations hereunder to an affiliate of such Party without the consent of the other Party.

## SECTION XV MISCELLANEOUS

- A. Nothing in this Agreement shall prohibit CMRS Carrier from enlarging its CMRS network through management contracts with third parties for the construction and operation of a CMRS system under the CMRS Carrier's brand name and license. Traffic originating on such extended networks shall be treated as CMRS Carrier Traffic subject to the terms, conditions, and rates of this Agreement. Traffic traversing such extended networks shall be deemed to be and treated under this Agreement as CMRS Carrier Traffic when it originates on such extended network and terminates on ILEC's network, and as ILEC's Traffic when it originates upon ILEC's network and terminates upon such extended network. Traffic traversing on such extended networks shall be subject to the terms, conditions, and rates of this Agreement.
- B. An NXX assigned to CMRS Carrier shall be included in any ILEC extended area calling service, optional calling scope, or similar program to the same extent as any other ILEC's NPA-NXX in the same rate center. ILEC shall perform all necessary translations at its own expense to provide its end users the same dialing and rate treatment to call a CMRS Carrier assigned NXX that such end user is provided when calling an NXX assigned to an incumbent LEC in the same rating center as CMRS Carrier's NXX.
- C. ILEC shall have the right to make network changes as follows:
  - 1. ILEC will comply with 47 C.F.R. §§ 51.325 through 51.335 as may be amended from time to time, regarding notification for network changes.
  - 2. Contemporaneous with the filing of any public notice of network change required by Subsection 1., ILEC shall also provide a copy of such notice to CMRS Carrier pursuant to Section XIII.
  - 3. Any objection CMRS Carrier may assert in response to receiving an ILEC network change notice shall be handled as a disputed matter pursuant to the Section VIII Dispute Resolution Process of this Agreement. Until final resolution of any such disputed matter, ILEC shall not discontinue any Interconnection arrangement or Telecommunications Service provided or

required under this Agreement as of the date of ILEC's network change notice.

## SECTION XVI NONDISCLOSURE OF PROPRIETARY INFORMATION

The Parties agree that it may be necessary to exchange certain confidential information during the term of this Agreement including, without limitation, technical and business plans, technical information, proposals, specifications, drawings, procedures, orders for services, usage information in any form, customer account data and Customer Proprietary Network Information ("CPNI") as that term is defined by the Communications Act of 1934, as amended, and the rules and regulations of the FCC and similar information ("Confidential Information"). Confidential Information shall include (i) all information delivered in written or electronic form and marked "confidential" or "proprietary" or bearing mark of similar import; or (ii) information derived by the Recipient from a Disclosing Party's usage of the Recipient's network including customer account data and CPNI. For purposes of this Section XVI, the Disclosing Party shall mean the owner of the Confidential Information, and the Recipient shall mean the Party to whom Confidential Information is disclosed. Information disclosed orally shall not be considered Confidential Information unless Disclosing Party advises Recipient prior to disclosure that such information is Confidential Information and such information is reduced to writing by the Disclosing Party and delivered to the Recipient within seventy-two (72) hours of disclosure. The Confidential Information is deemed proprietary to the Disclosing Party and it shall be protected by the Recipient as the Recipient would protect its own proprietary information. Confidential Information shall not be disclosed or used for any purpose other than to provide service as specified in this Agreement.

Information shall not be deemed Confidential Information and the Recipient shall have no obligation to safeguard Confidential Information (i) which was in the Recipient's possession free of restriction prior to its receipt from Disclosing Party, (ii) after it becomes publicly known or available through no breach of this Agreement by Recipient, (iii) after it is rightfully acquired by Recipient free of restrictions by the Disclosing Party, or (iv) after it is independently developed by personnel of Recipient to whom the Disclosing Party's Confidential information had not been previously disclosed. Recipient may disclose Confidential Information if required by law, a court, or governmental agency provided the Recipient shall give at least thirty (30) days notice (or such lesser time as may be sufficient based on the time of the request) to the Disclosing Party to enable the Disclosing Party to seek a protective order. Each Party agrees that the Disclosing Party would be irreparably injured by a breach of this Agreement by Recipient or its representatives and that Disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of this paragraph. Such remedies shall not be exclusive, but shall be in addition to all other remedies available at law or in equity.

SECTION XVII  
COMPLIANCE WITH SECTION 252(i)

In accordance with Section 252(i) of the Act, ILEC shall make available any interconnection service, or network element provided under an agreement approved under this section to which it is a party to CMRS Carrier upon the same terms and conditions as those provided in the agreement.

**By: ILEC**

\_\_\_\_\_  
Signature (date)

Printed name and title: \_\_\_\_\_

**By: CMRS Carrier**

\_\_\_\_\_  
Signature (date)

Printed name and title: \_\_\_\_\_

**Signature Page dated \_\_\_\_\_, 2003 to Interconnection Agreement between ILEC and CMRS Carrier.**

**APPENDIX A**  
**Rates and Billing Procedures**

**I. INTRAMTA TRAFFIC**

Subject to the *de minimis* exception set forth below in section I.D. below, the Parties shall reciprocally and symmetrically compensate one another for IntraMTA Traffic terminated to their respective customers at the rates set forth below:

**A. Rates**

- 1) Indirect Interconnection: [TBD]
- 2) Direct Interconnection: [TBD]

**B. Billing Method**

**1. Based on Measurement/Records**

- a. ILEC may measure, or obtain either Category 1101 records or a monthly traffic distribution report ("Tandem Records") from the tandem operator summarizing Traffic originated by CMRS Carrier and terminating to ILEC. This information shall be used by ILEC for billing CMRS Carrier for Traffic terminating to ILEC.
- b. CMRS Carrier may measure, or obtain either Category 1101 records or a monthly traffic distribution report from the tandem operator summarizing Traffic originated by ILEC and terminated to CMRS Carrier. This information may be used by CMRS Carrier for invoicing ILEC for terminating Traffic to CMRS Carrier.
- c. To the extent that the Parties rely on records or reports supplied by the tandem operator, the Parties agree to accept those reports or records as an accurate statement of Traffic exchanged between the Parties. Either Party may perform an audit of the other Party's billing information related to terminating minutes of use of the billed Party. The Parties agree that such audits shall be performed no more than one time per calendar year. Each Party shall bear its own expenses associated with such audit. The audits shall be conducted on the premises of the audited Party during normal business hours.

**2. Based on Factors**

- a. *Traffic Ratio*: If CMRS Carrier elects not to measure or obtain information provided by the tandem operator, the Parties agree to the following initial Traffic Ratio Factors to estimate the



proportion of total Traffic exchanged between the Parties' networks to be:

Mobile-to-Land	60%
Land-to-Mobile	40%

The Parties agree to revise the Traffic Ratio Factors not more frequently than semi-annually, based upon mutually agreed to traffic studies.

- b. *Form of Billing:* When billing is based on Traffic factors, the CMRS Carrier may elect to use either the Mutual Billing or Net Billing option as specified below.

(i) **Mutual Billing**

- (a) ILEC shall bill for 100% of the Traffic originated by CMRS Carrier and terminated to ILEC.
- (b) CMRS Carrier shall calculate estimated ILEC terminating Traffic to CMRS Carrier using the following formula: CMRS Carrier shall bill ILEC based on the MOUs in (a) above, divided by 0.60 (sixty percent). The total of the calculation shall then be multiplied by 0.40 (forty percent) to determine the Traffic originated by ILEC and terminated to CMRS Carrier.

(ii) **Net Billing**

ILEC shall calculate and render a "net bill" to CMRS Carrier by applying the Traffic Ratio Factors to the total MOUs of Traffic originated by CMRS Carrier and terminated to ILEC, as measured by ILEC or summarized in Category 1101 records or Tandem Records provided to ILEC by the tandem operator. ILEC shall calculate its "net bill" to CMRS Carrier using the following formula:

- (a) CMRS Carrier MOUs terminated by ILEC;
- (b) Divide "(a)" MOUs by Mobile-to-Land factor 60%;
- (c) Multiply "(b)" MOUs result by Land-to-Mobile factor 40%;
- (d) Net MOUs by subtracting "(c)" MOUs result from "(a)" MOUs; and

(e) Multiply “(d)” MOUs result by Rate in Appendix \_\_\_, \$0.0XX.

- C. **Billing Interval:** Either Party may elect to bill on a monthly or quarterly basis. If either Party wishes to revise its billing method it may do so upon (30) thirty days’ written notice to the other Party.
- D. ***De Minimis* Exemption:** In the event the Traffic exchanged between the Parties is *de minimis* such that the total minutes exchanged between the Parties is less than 50,000 minutes of use for a one-month period, the Parties agree that the only compensation for such Traffic will be in the form of the reciprocal Transport and Termination service provided by the other Party, and no billings will be issued by either Party.

## II. INTERMTA TRAFFIC

The Parties agree to exchange incidental InterMTA Traffic exchanged over the local interconnection facilities pursuant to a bill and keep arrangement. This InterMTA Traffic is deemed to be in balance and/or negligible. Either Party may request reconsideration and renegotiation of the compensation arrangements for InterMTA Traffic if it believes that the volume of such traffic has increased to a significant level and is no longer in balance. If the Parties agree to replace the bill and keep arrangements with Reciprocal Compensation arrangements, the preferred method of classifying and billing Traffic shall be actual traffic measurements. If either Party cannot identify and measure InterMTA Traffic, then the Parties shall agree on a surrogate method of classifying and billing such traffic, taking into consideration the territory served (e.g., MTA boundaries, LATA boundaries and state boundaries) and traffic routing of the Parties.